

New for
2010-11

Take Advantage of Revised Federal Tax Incentives for New Equipment

Investing in Equipment Now Can Payoff in Big Tax Savings

- For buying or leasing equipment, \$1 buyout leases qualify
- Application Only Fast Track Finance Program for up to \$350,000
- We are manufacturing specialists

Example:

	New 2010 and 2011 Tax Incentive	Previous 2010 Tax Incentive
Equipment Cost:	\$750,000.00	\$750,000.00
Section 179 Deduction	\$500,000.00	\$250,000.00
50% Bonus Depreciation - 2010 ONLY (\$750,000 - \$500,000 x 50%)	\$125,000.00	N/A
Standard Depreciation (14.29% Year 1) (\$750,000 - \$500,000-\$250,000) x 14.29%	\$17,862.50	\$71,450.00
Total First Year Depreciation:	\$642,862.50	\$321,450.00
Total Tax Benefit: (\$642,862.50 x 35%) (35% Federal Tax Bracket Assumed)	\$225,001.88	\$112,507.50

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\$500,000 Write-off

The Revised Section 179 Tax Deduction: The revised Law has been extended to December 31, 2010 and is retroactive to January 1, 2010. This deduction allows a small manufacturing company to deduct the first \$500,000 of equipment purchased in 2010 from their taxable income. For companies purchasing (or leasing – with a \$1.00 Purchase Option Lease) up to \$2,000,000 of equipment in 2010, this deduction is available in full. It then phases out between \$2,000,000 and \$2,500,000 and is not available for companies purchasing over \$2,500,000 in equipment in 2010. However, companies can finance purchases over \$2,000,000 with an Operating Lease and may still benefit from this deduction. In 2011, the Section 179 deduction will remain at \$500,000. However, the 50% Bonus Depreciation does not apply in 2011.

Purchase Equipment in 2010 or 2011 and Get a Tax Refund Against Taxes Paid in the Previous Five (5) Years

The revised Section 179 Deduction allows five (5) year carry backs of NOL (net operating losses) resulting from Section 179 and Bonus Depreciation (Bonus 2010 only). The new law extends the carry back period for eligible small business credits to five (5) years.

